



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	TSD No.: 22-002
)	
DANIEL JAMES GROBEN and)	
SERVANT WEALTH MANAGEMENT, LLC,)	
)	
Respondents.)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”), by and through undersigned counsel, and Daniel James Groben (“Respondent Groben”) and Servant Wealth Management, LLC (“Respondent SWM”) (collectively “Respondents”) agree to the entry and execution of this Consent Order in accordance with Tennessee Code Annotated (“Tenn. Code Ann.”) § 48-1-116 of the Tennessee Securities Act of 1980 (“Act”), as amended, and Tenn. Code Ann. §§ 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”).

I. PARTIES

1. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

2. Respondent Groben is a resident of Tennessee, is the owner and chief compliance officer of Respondent SWM, and is registered with the Division with a Central Registration Depository number ("CRD #") of 6170183.

3. Respondent SWM maintains its principal place of business in Tennessee and is an investment adviser registered in Tennessee with a CRD # of 172666.

II. GENERAL STIPULATIONS

4. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of this Consent Order by the Commissioner. Entry and execution of this Consent Order by the Commissioner shall occur when the Commissioner signs and dates this Consent Order.

5. It is expressly understood that this Consent Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

6. This Consent Order is executed by the Commissioner, the Division, and the Respondents to avoid further administrative action with respect to the same findings of fact described herein. Should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

7. The Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts and/or omissions not specifically addressed in this Consent Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

8. The Respondents fully understand that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or omissions addressed specifically in this Consent Order, violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this Consent Order, or acts or omissions addressed specifically herein that result from the execution of this Consent Order.

9. The Respondents waive all further procedural steps and all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

III. FINDING OF FACTS

10. Respondent SWM registered as an investment adviser in Tennessee on October 9, 2014, with its principal place of business in Tennessee.

11. Respondent Groben registered as an investment adviser representative in Tennessee on October 9, 2014, and is the owner and chief compliance officer of Respondent SWM.

12. On June 16, 2021, the Division began a review of Respondent SWM's balance sheets that were submitted as part of Respondent SWM's annual reporting requirements for 2020.

13. Until October 6, 2021, the firm was registered as a sole proprietorship under Respondent Groben. Thereafter, the firm set up a limited liability company under Respondent SWM's name. The Respondents filed a change of ownership through CRD by amending their Form ADV.

14. The Division requested monthly balance sheet information from December 31, 2019, through October 31, 2021. A review of the information found that the Respondents failed to meet the net capital requirement for twenty-one (21) of twenty-three months (23).

15. The review found that the Respondents claimed non-allowable assets on their balance sheets, both in their monthly balance sheets and those filed as part of the required annual reporting for 2019 and 2020. The Respondents claimed the non-allowable assets after being informed they were non-allowable during their 2020 exam.

IV. CONCLUSIONS OF LAW

16. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

17. Tenn. Code Ann. § 48-1-116 sets forth that the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of the Act upon a finding that such order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

18. Tenn. Code Ann. § 48-1-112(a)(1) and (a)(2)(B) provide that the Commissioner may by order deny, suspend, or revoke any registration upon finding that the order is in the public interest and necessary for the protection of investors if the applicant or registrant has violated or failed to comply with any rule.

19. Tenn. Code Ann. § 48-1-112(d) states:

In any case in which the commissioner is authorized to deny, revoke, or suspend the registration of a broker-dealer, agent, investment adviser, investment adviser representative, or applicant for broker-dealer, agent, investment adviser, or investment adviser representative registration, the

commissioner may, in lieu of or in addition to such disciplinary action, impose a civil penalty in an amount not to exceed five thousand dollars (\$5,000) for all violations for any single transaction, or in an amount not to exceed ten thousand dollars (\$10,000) per violation if an individual who is a designated adult is a victim.

20. Tenn. Code Ann. § 48-1-121(c) sets forth that it is unlawful to file any document with the Commissioner that contains any untrue statement of material fact or omits to state a material fact.

21. Tenn. Comp. R. & Regs. 0780-04-03-.01(6)(a) establishes that an investment adviser “shall have and maintain a net capital of fifteen thousand dollars (\$15,000).”

22. Based on the Findings of Fact above, the Respondents failed to meet the minimum net capital requirement for twenty-one (21) of twenty-three months (23).

23. Based on the Findings of Fact above, the Respondents filed documents with the Division that made untrue statements and omitted statements of material facts.

24. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of investors.

V. ORDER

NOW, THEREFORE, based on the foregoing, including the Respondents’ waiver of the right to a hearing and appeal under the Act and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, as well as the Respondents’ admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondents agree to the entry and execution of this Consent Order to settle this matter as evidenced by the Respondents’ signature.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 48-1-116, that the Respondents shall:

1. **COMPLY** with the Act, as amended, and all rules promulgated thereunder;

2. **PAY** a civil penalty to the State of Tennessee of five thousand dollars (\$5,000). The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty (30) days after entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and mailed to the attention of:

**State of Tennessee
Department of Commerce and Insurance
Attn: William H. Leslie
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243**

Failure of the Respondents to make timely payment shall result in the automatic revocation of the Respondents' registrations with the Division;

3. **PROVIDE** the Division, quarterly, for two (2) years, all workpapers, documents, and/or records, including but not limited to bank statements, depreciation schedules, or appraisals, that exhibit, calculate, or establish Respondent SWM's net worth. The Respondents shall provide these workpapers, documents, and/or records to the Division no later than the following dates: July 15, 2022; October 15, 2022; January 15, 2023; April 15, 2023; July 15, 2023; October 15, 2023; January 15, 2024; April 15, 2024; and July 15, 2024. The documents shall be sent via email to the Director of Registration, April Odom, at April.x.Odom@tn.gov. Failure of the Respondents to provide these workpapers, documents, and/or records shall result in the automatic suspension of the Respondents' registrations with the Division until the Respondents provide these workpapers, documents, and/or records to the Division. If the Respondents fail to provide these workpapers, documents, and/or records, the Respondent SWM's registration with the Division will be automatically revoked by the Division; and

4. **PROVIDE** the Division, monthly, for two (2) years, balance sheets that show the Respondents meet the minimum net capital requirement. The Respondents shall provide the balance sheets no later than the fifteenth of every month after entry and execution of this order. Failure to meet the monthly minimum net capital requirement shall result in the automatic revocation of the Respondent SWM's registration with the Division.

5. If Respondent SWM's registration is revoked under the terms of this Consent Order, Respondent Groben shall not seek registration as the owner or chief compliance officer of any investment adviser in Tennessee for a period of two (2) years after Respondent SWM's revocation.

6. The Respondents' failure to comply with the terms of this Consent Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary action, which may include the assessment of additional civil penalties.

7. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Act with respect to the transactions involved in the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

8. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, the Respondents affirmatively state the following: the Respondents freely agree to the entry and execution of this Consent Order; the Respondents waive the right to a hearing on, or a review of, the matters, the Findings of Fact,

and the Conclusions of Law underlying this Consent Order or the enforcement of this Consent Order; and the Respondents encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

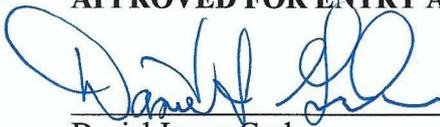
9. By signing this Consent Order, the Commissioner, the Division, and the Respondents affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Consent Order, are binding upon them.

10. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

ENTERED AND EXECUTED May 11, 2022.


[Carter Lawrence \(May 11, 2022 08:09 CDT\)](#)
Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



Daniel James Groben,
Individually, and on behalf of,
Servant Wealth Management, LLC



[Elizabeth Bowling \(May 9, 2022 11:24 CDT\)](#)

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



William H. Leslie, BPR #036098
Associate General Counsel for Securities
Department of Commerce and Insurance